



## City of Danville, Virginia

JOE KING  
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July 1, 2015

Honorable Mayor and Members of Council:

I am pleased to present to you the Adopted FY 2016 Budget. I wish to thank you for the hard work, diligence, and direction given throughout the budgeting process.

This budget supports continued efforts to reclaim Danville's status as a place of economic opportunity and an attractive, safe, desirable place in which to live. To accomplish this requires transformation of Danville's economy, eradicating property blight and stabilizing Danville's neighborhoods, and stemming Danville's population decline. The Adopted FY 2016 Budget supports the right mix of municipal services and facilities to satisfy current resident demands and attract newcomers. And it does so while operating cost-effectively with affordable taxes, fees, and utility rates.

The Adopted FY 2016 General Fund Budget is \$102,039,860, which is 2.9% more than the previous fiscal year, but does not impose increased taxes. This includes the City's support of Danville Public Schools at \$17,399,860. The Utilities budgets include expenditures (less depreciation) of nearly \$157 million in the Wastewater, Water, Gas, Electric and Telecommunications Funds and \$4.6 million for affiliated capital projects. As part of the biennial rate review, this budget includes an overall 3.5% rate increase in the Wastewater Fund that will generate approximately \$305,000 in new revenue.

This budget estimates revenue growth in local sales and meals tax of \$470,000. Real estate and machinery and tools taxes show a slight decrease of \$200,000. Building permits, inspection fees, and charges for services are also estimated to be flat. State revenues reflect an estimated increase of \$300,000, including an \$180,000 addition for a 2% salary increase for Constitutional Office employees.

This budget includes funding for employee pay for performance of \$2,077,720 in the General Fund and \$707,398 in other funds. An additional \$500,000 and position vacancy savings will be used to cover "compression pay" for employees who have received promotions during their tenure with the City that were not covered under last year's compression pay adjustments. The estimated cost for the General Fund employees is \$450,000 and all other funds \$489,600.

Accompanying this document is the City's five-year Capital & Special Projects Plan (CSP). Fiscal Year 2016 provides funding for all funds in the amount of \$22,027,670. Funding sources include current revenues of \$2,362,310 from the General Fund and \$6,005,960 from Utilities; Transfers from Unassigned Fund Balance of \$1,660,710 from the General Fund and \$350,000 from the Gas Fund; \$202,690 from Telvista Loan Repayment; and \$75,000 Contribution-in-Aid. Also included in the CSP are projects funded with grants and bond funds. Appropriations for these projects will be recorded when funding is approved by separate appropriation ordinances.

I would like to express my appreciation to our Budget Team and to our Department Directors for a job well done. Again, I would like to express my sincere appreciation to each of you for your cooperation and guidance in developing a budget that will continue to move Danville forward.

Respectfully,

A handwritten signature in dark ink, appearing to read "Joseph C. King", with a long, sweeping horizontal line extending to the right.

Joseph C. King  
City Manager



## City of Danville, Virginia

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April 7, 2015

Honorable Mayor and Members of Council:

Chapter 8, Section 8-6 of the City Charter requires the City Manager to submit a proposed budget by April 1<sup>st</sup> of each year. This Introductory Draft of the Proposed Fiscal Year (FY) 2016 Budget is respectfully submitted following City Council's month-long review of the Introductory Draft released a month ago. The Charter directs the Manager and Council to work together in modifying the proposed budget into a version presented to the public no later than April 30. Public comment on that edition of budget will be actively encouraged through May and June before a final budget is adopted and associated funds are appropriated by June 30.

This Introductory Draft incorporates Council's guidance received during work sessions conducted in March. The Danville Utility Commission's recommendations regarding the Water, Wastewater, Electric, Gas, and Telecommunications Funds are likewise included in this Introductory Draft. With exceptions noted below, current municipal services\* are maintained in FY 2016.

This Proposed FY 2016 Budget maintains the City's critically important efforts to transform its economy, revitalize its River District, stem its population decline, and eradicate property blight. The City must provide just the right mix of municipal services and facilities to satisfy current resident demands and attract newcomers. It must accomplish this while operating cost-effectively with affordable taxes, fees, and utility rates.



To accomplish this will require a comprehensive five-element strategy that was introduced during FY 2014.

1. Build on Economic Strengths -- Transform Danville's economy into a vibrant, future-focused - one built on knowledge, innovation, and entrepreneurship.
2. Fix the Basics -- Sustain just the right mix of public services, facilities, and amenities to retain and attract residents, and do so effectively and efficiently.
3. Transform the Physical Landscape -- Implement capital improvement projects that stimulate revitalization of Danville's economy.

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\* Such reference to current service levels is meant to include not only services provided at specific levels of quantity and quality, but also programs, facilities, and infrastructure.

4. Grow the Middle Class -- Reestablish Danville's middle-class character and ensure healthy population growth and a brighter future.
5. Create Neighborhoods of Choice -- Ensure all of Danville's neighborhoods are attractive, desirable places to live.

Implementing this strategy involves making purposeful use of ongoing operating expenditures, as well as special project and capital improvement expenditures.

The City's financial condition is excellent in terms of maintenance of appropriate cash reserves, levels of indebtedness, and retirement system funding. Prudent use of cash reserves and moderate increases in debt financing makes it possible to balance the FY 2016 Budget without increases in property taxes or General Fund charges, as directed by City Council during our last work session discussions.

The biennial utility rate study recently completed by the Danville Utility Commission recommends an average 3.5% wastewater rate increase in FY 2016 spread across customer classes, customer charges, and consumption rates. The residential customer with a 5/8-inch water meter would experience an increase in monthly customer charges from \$13.16 to \$14.00 and an increase from \$2.55 to \$2.58 in charges per 100 cubic feet of water consumed. Wastewater charges would remain unchanged in FY 2017, while average rate increases proposed in FY 2017 include 2.0% for natural gas, and 1.5% for electricity. As with wastewater, these increases are spread across customer classes, charges, and consumption rates. In lieu of a 3.0% water rate increase in FY 2017, the Utility Commission recommends that Council reinstate the fire hydrant charges by the Water Fund to the General Fund that were discontinued several years ago.

Changes made to the Introductory Budget for FY 2016 are follows:

	<u>Revenues</u>	<u>Expenditures</u>
<b><u>General Fund</u></b>		
Total Working Draft	\$ 101,844,780	\$ 101,844,780
Increases (Decreases):		
State Shared Expenses-Constitutional	(37,700)	
Constitutional Offices (Salaries & Benefits)		(42,470)
City Support of Capital Projects (Blight)		(50,000)
Electoral Board (Materials & Supplies)		(18,000)
Adult Detention Facility (Capital Outlay)		(23,100)
Support of Transportation		(30,220)
Fire Department (Salaries & Benefits)		50,000
Danville Humane Society		6,000
Support of Schools (Debt Service)		70,090
Revised Totals	<u>\$ 101,807,080</u>	<u>\$ 101,807,080</u>

	<u>Revenues</u>	<u>Expenditures</u>
<b><u>Mass Transit Fund</u></b>		
Total Working Draft	\$ 2,762,950	\$ 3,247,950
Less Depreciation (Non-cash item)		<u>(485,000)</u>
	<u>\$ 2,762,950</u>	<u>\$ 2,762,950</u>
Increases (Decreases):		
State Operating Aid	14,810	
State Capital Aid	(51,590)	
Federal Capital Aid	(268,000)	
Transfer in from General Fund	(30,220)	
Vehicle Purchases		<u>(335,000)</u>
Revised Total	<u><u>\$ 2,457,950</u></u>	<u><u>\$ 2,457,950</u></u>

	<u>Revenues</u>	<u>Expenditures</u>
<b><u>Telecommunications Fund</u></b>		
Total Working Draft	\$ 1,279,290	\$ 1,557,830
Contribution to Fund Balance		41,660
Less Depreciation (Non-cash item)		<u>(320,200)</u>
	<u>\$ 1,279,290</u>	<u>\$ 1,279,290</u>
Increases (Decreases):		
School Sales	39,300	
Federal E-Rate WAN	410,700	
Internet County School Sales	(15,840)	
ERATE Internet Pitt County	(43,200)	
Capital Project-nDanville		<u>390,960</u>
Revised Totals	<u><u>\$ 1,670,250</u></u>	<u><u>\$ 1,670,250</u></u>

The initial stages of the budget process are complete. Public input will be actively encouraged in May and June before a final budget is adopted and associated funds appropriated by June 30.

I am grateful to our budget team for its hard work getting to this point. City staff stands ready to assist Council throughout the remainder of the budget process. We are all ultimately accountable to the citizens in providing needed municipal services and facilities in an effective and efficient manner.

Respectfully,

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Joseph C. King  
City Manager



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### FY 2016 WORKING DRAFT BUDGET

March 3, 2015

Honorable Mayor and Members of Council:

Chapter 8, Section 8-6 of the City Charter requires the City Manager to present a proposed budget by April 1<sup>st</sup> of each year. The Charter directs the Manager and Council to then work together in modifying the proposed budget into a version presented to the public no later than April 30. We respectfully submit This "Working Draft of the Proposed Fiscal Year (FY) 2016 Budget" a month early to give City Council time to provide guidance on developing a modified edition of the budget for public release in April. This Working Draft follows Council's guidance given last fall that we maintain current municipal services\* through FY 2016, establishing an approved baseline from which to prepare this Working Draft. Similarly, the Danville Utility Commission's recommendations regarding Water, Wastewater, Electric, Gas, and Telecommunications Funds are also included. Our budgeting process requires that municipal departments justify every line item and propose no more, or less, than is needed in FY 2016 to serve the public at Council-authorized levels. Public comment on the edition of the budget released next month will be actively encouraged through May and June before a final budget is adopted, and associated funds are appropriated by June 30.

We are recommending continuing efforts to reclaim Danville's status as a place of economic opportunity and an attractive, safe, desirable place in which to live. To accomplish this will require that we transform Danville's economy, stem its population decline, eradicate property blight, revitalize the River District, and stabilize our neighborhoods. The City must provide just the right mix of municipal services and facilities to satisfy current resident demands and attract newcomers. And it must accomplish this while operating cost-effectively with affordable taxes, fees, and utility rates.



We recommend continued pursuit of the comprehensive five-element strategy introduced two years ago.

1. Build on Economic Strengths -- Transform Danville's economy into a vibrant, future-focused one built on knowledge, innovation, and entrepreneurship.

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\* Such reference to "current services" includes not only municipal services provided at specific quantity and quality levels, but also programs, facilities, and infrastructure.

2. Fix the Basics -- Sustain just the right mix of public services, facilities, and amenities to retain and attract residents, and do so effectively and efficiently.
3. Transform the Physical Landscape -- Implement capital improvement projects that stimulate revitalization of Danville's economy.
4. Grow the Middle Class -- Reestablish Danville's middle-class character and ensure healthy population growth and a brighter future. Provide opportunities for all to better themselves financially.
5. Create Neighborhoods of Choice -- Ensure that all of Danville's neighborhoods are attractive, desirable places to live.

Implementing this strategy involves making purposeful use of on-going operating expenditures, as well as special project and capital improvement expenditures. The City's financial condition is excellent in terms of maintenance of appropriate cash reserves, levels of indebtedness, and retirement system funding. Prudent use of cash reserves and moderate increases in debt financing makes it possible to balance the FY 2016 budget without increases in property taxes.

The biennial utility rate study recently completed by the Danville Utility Commission recommends an average 3.5% wastewater rate increase in FY 2016 spread across customer classes, customer charges, and consumption rates. The residential customer with a 5/8-inch water meter would experience an increase in monthly customer charges from \$13.16 to \$14.00 and an increase from \$2.55 to \$2.58 in charges per 100 cubic feet of water consumed. Wastewater charges would remain unchanged in FY 2017, while average rate increases proposed in FY 2017 include 3.0% for water, 2.0% for natural gas, and 1.5% for electricity. As with wastewater, these increases are spread across customer classes, charges, and consumption rates.

We provide highlights of the Working Draft of the Proposed FY 2016 Budget on the following pages. The budget preliminary request of the Danville Public Schools presented the January 13, 2015 joint meeting is included. We anticipate receiving refreshed operating budget numbers and a proposed five-year Capital Improvement Plan in time to include them in April 1<sup>st</sup> Proposed Budget.



### General Fund Highlights

The total proposed FY 2016 General Fund budget appropriation is \$101,844,780. This is \$2,716,050 (2.74%) more than the FY 2015 budgeted amount.

#### FY 2016 General Fund Revenue Changes

	Proposed Budget	Increase (Decrease)
General Property Taxes:*		
Real Estate Taxes	\$16,400,000	\$(100,000)
Machinery & Tools Taxes	1,201,000	(104,000)
Penalties and Interest-All Property Taxes	700,000	100,000
All Other General Property Taxes	9,808,420	21,200
Other Local Taxes:		
Local Sales Taxes	8,400,000	300,000
Prepared Meals Taxes	6,870,000	170,000
Hotel & Motel Room Taxes	810,000	50,000
All Other Local Taxes	7,777,000	(12,000)
Recovered Cost	6,159,760	633,620
State Revenues:		
Shared Expenses - Constitutional Offices	4,702,140	91,850
Social Service Programs	6,915,420	66,760
State Telecommunications Tax	3,200,000	(100,000)
State Aid to Localities (599)	2,450,000	185,000
Other Revenue Areas	7,184,330	83,160
Total Revenues	82,575,570	1,385,590
Transfers In From:		
Utility Funds	14,830,000	0
Budget Stabilization Fund	1,660,710	1,660,710
General Fund Balance	2,778,500	(330,250)
Total Revenues & Transfers	\$101,844,780	\$2,716,050

\* Property taxes include current and delinquent amounts

## Notes on Revenues

- **Real Estate Taxes** – The FY 2015 budget of \$15,600,000 was based on a modest projected increase in assessed values over FY 2014. As FY 2015 began, assessments actually showed a slight decrease from the prior year. Based on building permit values, current assessment projections show a slight increase over last year, but not enough to keep budgeted real estate tax revenues at \$15,600,000. Management believes reducing this budgeted revenue by \$100,000 more accurately reflects the expected performance in Current Real Estate Tax revenue for FY 2016.
- **Other Local Tax Revenue** – Local sales, meals, and hotel/motel room tax revenues are good indicators of local economic vitality. Tax receipts for each are projected to increase in FY 2016 \$300,000, \$170,000, and \$50,000, respectively.
- **Transfer from Budget Stabilization Fund** – City Council authorized creation of a Budget Stabilization Fund in FY 2012 as part of the General Fund's assigned fund balance using revenues in excess of its designated 20% unassigned fund balance level. The Budget Stabilization Fund is intended to help sustain municipal operations during times when revenue sources such as property, sales, meals, and business tax receipts are sluggish due to the effects of the economic recession or continuing response to emergencies. According to current policy, the fund is capped at 5% of General Fund revenues and can only be used when projected ongoing General Fund revenues are expected to decline more than one percent below the current year.

The Budget Stabilization Fund reached its cap at just over \$5 million in FY 2014. We would like City Council to consider reducing this cap to a fixed dollar amount of \$3 million. This change would allow approximately \$2 million to return to unassigned fund balance and allow for funding of several one-time expenditures related to capital projects.

- **Transfer from Fund Balance** – The proposed budget recommendation includes \$2,778,500 in transfers from the unassigned balance of the General Fund for funding economic development incentives and refunds the City must pay to the Tobacco Commission. More information is included in the expenditure section below.
- **State Revenues** – The General Assembly has not yet passed its FY 2016 budget as of the printing of this document. Preliminary estimates indicate mixed increases and decreases. Also, estimates in the fall indicated a significant deficit in State revenues for FY 2015 which called for reductions in State spending and included reductions in local revenues from the State. The City's portion of the \$30 million reduction was \$350,656. There has been a bill introduced in the State Legislature to refund those funds to localities. The best available estimates of the categorical and non-categorical State revenues are included in this budget.

- **Constitutional Offices** – The State Legislature is proposing a 3% COLA for State employees including constitutional offices. The last salary increase was 4% effective December 1, 2007. This represents the estimated State share of the increase.
- **Social Service Programs** – The State provides 84.5% of administrative expenses for social services. The proposed increase in compensation for pay-for-performance will increase this cost-sharing revenue. Funding for public assistance programs shows a slight decrease. However, the net increase for social service administrative and public assistance is \$66,760.
- **State Aid to Localities with Police Departments** – The State is including a return to FY 2014 level for this revenue; previous years have experienced decreased or flat funding. This budget provides an increase of \$168,560 over FY 2015 budget.

**Expenditures** – Major increases and decreases in General Fund expenditures are summarized as follows: (REVISED 3/5/15)

	Proposed Budget	Increase (Decrease)
Salary/Benefits:		
Salaries & Wages	\$32,173,030	\$ 1,130,450
Compression Adjustment	0	(2,079,000)
Pay-for-Performance Increase	2,077,720	1,440,240
Salaries –Constitutional Offices	5,505,830	129,230
Group Health Insurance	6,981,500	(798,200)
Employees Retirement System	1,960,490	(620,970)
General Liability Insurance	662,420	179,570
Outside Purchased Services	1,200,780	149,980
Maintenance Service Contracts	1,627,440	130,340
Social Service Programs	2,307,930	178,560
Motor Vehicle Purchases	324,000	93,600
OPEB Contribution	0	(80,000)
Support of Other Entities	1,428,310	62,360
Support of Capital Projects	4,073,020	169,920
Economic Development Incentives	2,404,750	957,500
Support of Grants	1,481,090	71,090
Cost Allocations	1,326,770	281,460
Transfer To Transportation Fund	228,820	77,090
Refunds (Tobacco Commission)	1,150,000	1,150,000
All Other Expenditures	34,930,880	92,830
Total Expenditures	<u>\$101,844,780</u>	<u>\$2,716,050</u>

### Notes on Expenditures

- **Salaries & Wages** – The amount budgeted for FY 2016 for salaries, FICA, and retirement are based on salary projections and include the compression and pay-for-performance increases received by employees in July 2014. The FY 2015 Adopted Budget included funding for compression adjustments and pay-for-performance salary increases. Both components of the salary increases were granted following each employee's performance evaluation. Since the evaluations were not completed until June 2014 and applied in July, the required budget was estimated and posted to an administrative org-key/object code in the Non-Departmental activity (Salaries & Wages Adjustment, highlighted below in yellow). As you look at salaries and FICA in each activity, you will notice increases in the fulltime (FT) salary and FICA accounts. In the example below these accounts

show increases over the FY 2015 budgets because the increases were not distributed to the respective salary and benefit accounts in the adopted budget, highlighted in blue. In addition, the proposed pay-for-performance increases for FY 2016 are also budgeted in the single administrative account, highlighted in yellow. The exception to this can be seen in the Social Services and Juvenile Detention Facility activities where each shows a Salary & Wages Adjustment account. Since the City receives funding for these activities from the State and our partners, their portion of the increases are posted to the respective activity.

Org-key	Object	Title	FY 2013 Actual	FY 2014 Actual	FY 2015 Budget	FY 2015 As of 12/31/2014	FY 2016 Department Request	Incr (Decr) vs. FY 2015 \$ Change
<b>Non-Departmental</b>								
0199001	51417	Salaries & Wages Adjustment	-	-	2,146,560	-	1,808,060	338,500
<b>P/W Bldgs &amp; Grounds Division</b>								
01250__	51100	Salary & Wages, Regular, FT	578,969	566,804	677,050	313,557	733,340	56,290
01250__	51150	Salaries & Wages, Overtime, FT	41,629	40,584	37,600	21,694	37,600	-
01250__	51450	FICA	44,934	44,046	54,710	24,333	59,040	4,330
01250__	51525	Retirement ERS	76,188	79,986	60,490	27,316	51,540	(8,950)

The retirement accounts, highlighted in orange, reflect the reduced rate recommended by our actuaries and adopted by the Retirement Board. See “All Funds” Section for detail information on Pay-for-performance increase and Retirement decrease.

The State Legislature has proposed a 2-3% COLA for state employees, including the Constitutional offices. This budget provides for this proposed increased at 3%. The City’s portion of the increase is approximately \$30,000.

- **Pay-for-Performance Salary Increase** – See “All Funds” Section
- **Health Insurance** – Like many other large employers, the City administers a self-insured health plan for employees and retirees under which the actual claims for health care benefits and prescription coverage are paid. Beginning in January 2013, the City began offering a high deductible plan with a health savings account in addition to the traditional preferred provider organization (PPO) plan. This was done to provide a less costly option to employees who only occasionally utilize their health insurance benefits, saving both the employee and the City money. As the high deductible plan has grown in popularity, the City has experienced significant savings in group health insurance costs. Employee utilization of insurance is difficult to project. However, after analyzing costs over the last two years and considering the mandated administrative fees to fund the Patient Protection and Affordable Care Act, management has budgeted \$6,981,500 in FY 2016 for health insurance costs, representing a decrease of \$798,200 from FY 2015.
- **OPEB Trust Funds** – In prior years, the City offered a post-employment healthcare benefit (OPEB) for retired employees and spouses. The benefit levels, employee contributions, and employer contributions were governed and could be

amended by the City through its personnel rules. Participants who were full-time active employees and qualified for retirement after attaining age 55 with at least five years of service were offered the same postretirement health benefits as active employees at City expense. The City separated retirees into their own insurance pool and, over the past several years, gradually shifted premium payment responsibilities to retirees and their spouses until they came to pay the full cost of the premium.

This eliminated the need of the OPEB Trust Fund. With approval of the Employees' Retirement System Board of Trustees, the City elected to terminate the OPEB Plan effective January 2014. The OPEB Trust agreement states that the assets of the trust fund may revert to the City only upon "the satisfaction of the benefit liabilities to all beneficiaries under the plans." Since all plan liabilities are satisfied, the plan assets with a fair value of \$2,511,494 at June 30, 2014, are expected to revert back to the City. Management recommends using these funds to assist with required repayments of nonperforming grants to the Tobacco Commission.

- **Employee Retirement System** – See "All Funds" Section
- **Social Services** – As noted above, State funding for administrative expenditures averages 84.5% of the cost. Therefore, the portion of pay-for-performance for Social Services is included in the operating budget with the State's reimbursement of this cost reflected in the increased revenue.
- **Juvenile Detention Facility** – As with Social Services, the City's partners for the Juvenile Detention Facility share in the increased cost associated with pay-for-performance.
- **Motor Vehicle Purchases** – The Police Department replaces one-half of its fleet each year. The City purchased Chevrolet Impalas on State contract for several years, but Chevrolet is discontinuing production of the Impala police package. The probable replacement will be the Tahoe police package at approximately \$10,000 more per vehicle.

- **Refunds (Tobacco Commission)** – This budget provides for the repayment to the Virginia Tobacco Indemnification and Community Revitalization Commission (TROF) Grants made to U.S. Green Energy, Web Parts, GOK, and Danville Hybrid Vehicles. The payments will be made over a four-year period as noted below:

U.S. Green Energy	Payment 3 of 4	\$ 400,000
Web Parts	Payment 2 of 4	250,000
GOK	Payment 2 of 4	250,000
Danville Hybrid Vehicles	Payment 1 of 4	<u>250,000</u>
Total		\$ 1,150,000

An agreement between U.S. Green Energy and the City obligates the company to repay its entire \$1.6 million TROF grant. Therefore, a revenue has been included in the General Fund Recoveries in the amount \$400,000 for this repayment. The other repayments will be funded by a transfer from the General Fund's Reserved Fund Balance.

- **Economic Development Incentives** – Economic development incentive payments to our clients are up \$957,500 from FY 2015 levels, due in large part to a reclassification of expenditures. Of this increase, \$376,250 is reclassifying grants from the Enterprise Zone to Economic Development Incentives program. This consists of \$270,000 for Enterprise Zone Investment Grants and \$106,250 for Local Jobs Grants and represents, for these two items, an increase over FY 2015 of \$127,500. Incentive grant proposals will be presented to Council in closed session.
- **Support of Capital Projects** – This budget reflects an increase of \$169,920 in General Fund Support of Capital Projects. Projects include economic development projects, River District improvements, firefighting apparatus replacement, Information Technology upgrades, Parks and Recreation improvements, Public Works capital maintenance for buildings, and engineering and street projects. See the Capital Improvements Plan for detailed information.
- **Transfer to Schools** – The City's support of schools is flat with the FY 2014 funding level. This reflects the third of four \$525,000 repayments of the \$2.1 million advance approved in the FY 2013 adopted budget. The preliminary budget request of the Danville Public Schools was presented at the January 13, 2015 joint meeting. We anticipate receiving refreshed operating budget numbers and a proposed five-year Capital Improvement Plan in time to include them in April 1<sup>st</sup> Proposed Budget.
- **Drug Rehabilitation Initiative** – At the urging of Circuit Court Judges Milam and Reynolds and with strong concurrence of Sheriff Mondul, we are proposing a \$25,000 increase in the Danville Jail budget to begin an in-house drug offender program in January 2016. With normal housing, meal, medical, and administrative expenses already budgeted for participating inmates, this additional amount would cover contractual counseling services from Danville-Pittsylvania Community

Services for as many as 12 male inmates at a time housed separately in a dedicated pod of cells. After its initial six-month operation during the second half of FY 2016, the program will expand to the full year in FY 2017 and add up to 12 female inmates at a time in a second cell pod, for a total of 24 inmates serviced by two fulltime counselors. The annual program budget would accordingly increase to \$100,000. We will seek available grant funding to offset City costs, but should conservatively anticipate this as an on-going cost. Jail space constraints will cap participation to 24 inmates at a time.

Many inmates occupying the Danville City Jail are serving drug-use crime sentences. Recidivism rates are high. This in-house counseling program will provide a much-needed opportunity for inmates willing to turn their lives around to have extra help doing so while incarcerated. Judges will have the option of reducing sentences for those successfully completing the program and subsequent community-based counseling programs when released from the jail. Successes in other communities has proven that participates in these programs are far less likely to fall back into unlawful lifestyles than inmates serving traditional jail sentences. Implementation of this program will contribute one small, but very important piece to in solving the community's drug abuse puzzle.

### **Utility Funds**

The Utilities Department includes the Divisions of Water & Waste Water Treatment, Water & Gas, Power & Light, Telecommunications, Customer Service, Support Services, and. The Proposed FY 2016 Budget includes operating expenditures (less depreciation and General Fund contributions) of \$140 million and \$8,955,000 for affiliated capital projects. In accordance with Article XI, Section 2-283 of the City Code, the Danville Utility Commission was involved in the preparation of the Utility Department's budget and recommends its approval by City Council.

The budget is based on projected revenues using utility rates approved by City Council through its biennial rate review and includes an overall 3.5% increase in the Wastewater fund (approximately \$305,000). None of the other four Utility funds include a rate increase for FY 2016. The following factors affect all five Utility funds except as noted:

- **Salary Adjustments & Benefits** – Handling of salary, benefits, and retirement contributions in the Utility Funds is identical to the method used in the General Fund. Without negatively affecting service levels, the Utilities Department is incrementally reducing both crew and work group sizes, which additionally impacts salary and associated expenditures.
- **Overtime** – The Department has tightened control of overtime and reduced associated expenditures.
- **Revenues** – Revenue will cover operating costs and ongoing system-related improvements to maintain the integrity and reliability of the utility infrastructure.



With the exception of Telecommunications, consumption is forecasted to either be consistent with prior years, or increase at less than 1%. Due to a reduction in contracted services with Danville Public Schools in FY 2016, Telecommunications experienced a decrease of \$450,000 in revenue (31% of 2014 actual revenue)

- **Expenditures** – This budget includes appropriations of \$14.8 million for contribution to the City's General Fund, which is unchanged for the third fiscal year. Due to increases in operational expenses and the absence of revenue growth, the Department made reductions in most operational areas in all Utility Funds. Proposed FY 2016 capital improvements include \$8.9 million in projects that are necessary to meet environmental quality requirements, replace outdated infrastructure to improve reliability and safety, and support the revitalization of the River District. Specific projects include
  - \$1.25 million for replacement and relining of the sanitary sewer lines,
  - \$400,000 for Phase II of the dual grit removal facilities,
  - \$150,000 to expand the SCADA system at the Wastewater Treatment Plant,
  - \$600,000 for replacement of aged water mains located at Ballou Park,
  - \$125,000 to replace aging waterlines and infrastructure in the distribution system,
  - \$30,000 for inspection and repair of the Schoolfield Dam,
  - \$400,000 for Water Treatment Plant improvements, and
  - \$1.5 million for the cast iron gas pipeline replacement program, \$350,000 of which will be financed from the Gas Fund balance..

In addition, \$5 million in capital projects are proposed in electric system improvements, \$3.5 million of which will be bond-financed. The annual Fiber-to-the-Home Telecommunications project has been eliminated in FY 2016 due to the aforementioned reduction in revenue from Danville Public Schools.

The proposed utility fund budgets will ensure continued delivery of reliable services at the lowest rates currently possible while supporting vital economic development activities.

Utility Fund Balances (Revised 3/6/15)					
	<u>Wastewater</u>	<u>Water</u>	<u>Gas</u>	<u>Electric</u>	<u>Telecom.</u>
6/30/14 Fund Balance	(\$ 413,853)	\$ 6,325,734	\$ 10,817,145	\$ 33,141,891	\$ 1,162,374
Additions to Fund Balances	<u>+ 535,307</u>	<u>+ 593,053</u>	<u>+ 521,062</u>	<u>+ 3,065,103</u>	<u>- 33,506</u>
Estimated 6/30/15 Balance	121,354	6,918,787	11,338,747	36,206,994	1,128,868
Minimum Required Balance	<u>3,074,412</u>	<u>2,188,828</u>	<u>7,328,792</u>	<u>27,097,357</u>	<u>445,649</u>
Estimated 6/30/15 Surplus	(\$ 2,953,058)	\$ 4,729,959	\$ 4,009,955	\$ 9,109,637	\$ 683,219

Note: Section 4.1 of City Council's adopted Financial Policies specifies the minimum fund balances shown above. Surpluses may be appropriated for specific expenditures by the City Council or assigned to fund balance accounts, normally to unassigned or unrestricted fund balances. Unassigned and unrestricted fund balances in excess of established minimum levels may be appropriated by Council for nonrecurring expenditures such as unanticipated budget shortfalls, economic development incentive payments, special projects, acquisition of real property, capital purchases, local matches for grants, prepayment of existing debt, prepayment of equipment maintenance contracts, and one-time employee pay bonuses. Except during periods of economic recession or under unusual circumstances, excess funds are not be used to support routine operating expenditures.

### **Transportation Fund**

Danville Transit receives federal and state funding through allocations provided by the Virginia Department of Rail and Public Transportation. State operating aid is based on the amount of state sales tax revenue generated annually, operating costs for transit and passenger rail systems and performance. As a result, state operating aid allocations for Danville's transit system has varied greatly in recent years. The startup of two new passenger rail operations in northern Virginia and Tidewater partially contributed to a decrease in state operating funding for FY 2015. The State has identified that an additional 10% reduction in operating aid should be projected for FY 2016 due to decreased sales tax revenue. However, Federal operating funds, State capital aid and cash fares are anticipated to increase to assist with containing the city's local contribution for the Transportation Fund.

With the new restrictions of less than 25 hours per week for part-time staff and the increased demand for transportation services, it is difficult to recruit, train, and retain qualified staff. Therefore, during the current fiscal year (FY 2015), Mass Transit requested the elimination of all part-time drivers to be replaced with full-time personnel. We administratively approved this change pending formal Council approval and five additional full-time transit driver positions were authorized. There is minimal increased cost of which the majority is covered by Federal and State operating aid.

### **Sanitation Fund**

When residential solid waste collection changed from backyard to curbside in 2011, the Public Works Department began using automated side loader collection vehicles in place of the standard rear loaders trucks. Solid Waste Regulation changes required all residents use automated roll-out carts effective January 1, 2014. Public Works has since sold approximately 14,465 carts at cost to the residents. The use of automated collection has allowed Public Works to reduce its work force over the past two years. One additional Solid Waste Collector position is being eliminated this year. These reductions have prevented a refuse fee increase.

### **Sewers (Public Works section of Wastewater Fund)**

The Public Works Department is proposing to increase sewer tap fees over a five-year period to cover 100% of the installation costs. Currently, the sewer tap fee covers approximately one-third of the costs.

### **Cemetery Fund**

The Public Works Department is proposing to develop a columbarium site at Highland Burial Park to accommodate cremation remains. It will provide a less expensive aboveground alternative to regular burials which many residents cannot afford.

## All Funds

**Pay-for-Performance Salary Increases** – With City Council's approval, market rate adjustments were made to various employee job classifications in FY 2014 to prepare the way for a pay-for-performance system initiated in FY 2015. At the end of the current fiscal year, employees will be evaluated against established performance standards and given pay increases based on their performance. Employees on probation or with less than one year of service to the City are not eligible for a performance increase. Employees not meeting a proficient performance level or higher would receive no increases. The Proposed FY 2016 Budget includes funds for pay-for-performance salary increases. Each fund will be impacted as follows:

Fund	Salary Increases
General Fund*	\$2,077,720
VDOT Fund	117,280
Central Service Fund	5,350
Motorized Equipment Fund	32,740
Transportation Fund	31,370
Sanitation Fund	49,860
Cemetery Operations Fund	27,225
Wastewater Fund	26,815
Water Fund	79,290
Gas Fund	66,430
Electric Fund	266,660
Telecommunications Fund	3,730
Total	\$2,784,470

\* Salaries for Social Services and the Juvenile Detention Facility receive partial funding from the State and the Juvenile Detention partners. The General Fund total above reflects the total cost of the salary increase.

In addition to pay-for-performance increases, one-time pay adjustments made to all eligible employees in FY 2015 largely remedied the harmful “pay compression” effect experienced because of defunding of the merit system two decades ago. Employees with many years of experience remained in the lowest quartile of their pay ranges because, without access to annual merit increases, they were unable to move up affected pay scales. Rather than a second round of separate pay compression increases in FY 2016, we are proposing larger than normal pay-for-performance increases to address residual system-wide disparities. Instead of 0% to 4% increases, 0% to 7% increases are proposed for FY 2016 only. Funds are also included in the budget to address isolated systemic problems in public safety pay ranges uniquely

affected by hiring of new personnel at the bottom of their pay scales and with promotional opportunities limited to sequentially moving through their ranks.

**Employee Retirement System** – After several years of market recovery and diligently following the actuarial recommended contribution rates for the City's Employee Retirement System (ERS), the City's actuaries have reported that the ERS was 103% funded at June 30, 2014. After considering expected investment gains for FY 2015, the City's actuarial consultant has recommended a decrease in the contribution rate from 9% of covered payroll to 7%. The ERS board has adopted the recommended rate for FY 2016 and this decrease has been incorporated into the FY 2016 budget.

	Actuarial Rate <u>FY 2015</u>	Current Rate <u>FY 2015</u>	Proposed Rate <u>FY 2016</u>
General Employees	8.867%	8.867%	7.021%
Public Safety Employees	9.730%	9.730%	6.664%

The proposed rate for FY 2016 is a reduction in citywide funding of \$857,140. The chart below shows the reduction by fund.

Decreased Retirement Costs	
<u>Fund</u>	<u>Amount</u>
General Fund	(\$620,970)
VDOT Fund	(49,710)
Central Service Fund	(1,090)
Motorized Equipment Fund	(14,430)
Transportation Fund	(3,410)
Sanitation Fund	(22,330)
Cemetery Operations Fund	(8,530)
Wastewater Fund	(13,660)
Water Fund	(25,360)
Gas Fund	(18,050)
Electric Fund	(78,970)
Telecommunications Fund	(630)
Total	(\$857,140)

**General Liability Insurance** – The changes in general liability insurance were due to several factors. The premiums for vehicle insurance increased due to the increased loss ratio for the City as a whole. This was offset by a decrease in liability insurance premiums due to better financial information being provided to the insurance companies during the renewal process. The equipment and property premiums increased due to

the addition of new equipment being added to the schedule of values. Also, through the process of performing a physical inventory of all vehicles, insurance costs were more accurately allocated to each division.

**Personnel Changes** – This budget includes the addition of three full-time equivalent (FTE) positions, one elimination, and reclassification of part-time positions to fund one full-time position.

Department/Position	FTE Positions Added	FTE Equivalent Positions Reduced	Net FTE Increase
Fire/Fire Code Inspector	1		1
Clerk of Circuit Court/Deputy Clerk	2		2
Sanitation/Solid Waste Collector		1	-1
Parks & Rec/Rec Program Supervisor (eliminate PT and add FT)	1	1	0
Total Increase in Authorized Positions	4	2	2

- Fire Code Inspector – This position is proposed jointly by the Fire Department and the Community Development Department's Inspections Office. Being proactive in the fight against blight by performing more routine fire and maintenance code inspections on existing commercial structures throughout the City will enable us to prevent them from becoming unsafe and blighted. This position is proposed as a temporary, dual purpose Fire and Maintenance Code enforcement position funded by the Comprehensive Blight Removal Program.
- Deputy Clerks – The 22<sup>nd</sup> Judicial Circuit Court covers Franklin and Pittsylvania Counties and the City of Danville. As reported by the Office of the Executive Secretary of the Supreme Court of Virginia, the Danville Court's criminal caseload represents a disproportionately large (49%) portion of the Circuit's criminal docket. The Clerk of Circuit Court's office has been unable to keep pace with this workload and cases generated by two full-time judges. This budget proposes two additional positions in the Clerk's office. Because additional funding is not available from the State and this issue is of great concern to the Court, Judge Milam offered to transfer funding for for a vacant position in his office for FY 2015 to provide for the addition of one Deputy Clerk. This was a temporary fix until a permanent solution could be proposed in the FY 2016 budget.
- Recreation Program Supervisor – This will be a full-time position at Ballou Recreation Center. There is no budgetary impact as Parks and Recreation will

eliminate a year-round part-time Recreation Program Supervisor position, a Recreation Leader position, and reduce the hours of the Recreation Aide. With the new restrictions of less than 25 hours per week for part-time staff, it is difficult to recruit, train, and retain qualified staff.

### **Capital Project Funding**

The Capital Improvements Plan covers proposed projects in all funds and revenue sources to finance them. Financing resources include current revenues, contributions-in-aid, reprogrammed funds, State grants, transfers from unassigned fund balances, transfers from the Budget Stabilization Fund, and bond proceeds. Over \$10 million in capital projects will be proposed as part of the FY 2016 budget ordinance introduced in May. Other transactions will require separate actions by City Council. Examples include appropriation of State and Federal grants, VDOT funds, and issuance of bonds. The list below details the funding included in the Budget Appropriation Ordinance and funding which will require separate action required by Council.

Funding included in the Budget Appropriation Ordinance	\$10,038,020
Reprogrammed Funds (Telvista Loan Repayment)	202,690
Funding authorized through separate actions	
State Grants and Contribution-in-Aid for various Projects	1,500,000
General obligation bonds for General Fund & Electric Fund	<u>7,326,000</u>
Total Capital Projects – All Funds	\$19,066,710

**Debt Service** – General Fund (tax supported) debt as of June 30, 2014, was \$34.6 million, with debt service payments averaging \$3.3 million over the next five years, including debt for schools. Below is a table summarizing debt service requirements for each fund. Included is estimated interest for 6 months for new bonds proposed in this budget.

Changes in Debt Service (Revised 3/5/15)

	Amount	Increase (Decrease)
General Fund:		
G/O Bond (Principal & Interest)	\$1,623,920	\$ 188,220
Juvenile Detention Facility Bonds	95,590	0
Social Service Building Bonds	52,750	970
School Bonds (Principal & Interest)	1,252,280	(26,170)
City Share RIFA Bonds	386,450	6,850
IDA Bonds	649,390	(172,750)
Reimbursable Agreements	87,010	0
Fiscal Agent Fees	3,200	0
Total General Fund	4,148,490	(2,280)
Utility Funds:		
Wastewater Fund		
Bonds	1,301,780	(63,690)
Reimbursables	31,720	0
Water Fund	1,063,470	(3,030)
Gas Fund	275,460	(111,700)
Electric Fund	3,765,920	39,910
Total Utility Funds	6,438,360	(138,510)
Other Funds:		
Mass Transit Fund	120	0
Motorized Equipment Fund	3,630	1,020
Sanitation Fund	2,190	(10)
Total Other Funds	5,940	1,010
Total All Funds	\$10,592,780	\$(140,790)

The City maintains the following standards to ensure a higher level of security than afforded by State standards:

- Debt to Assessed Value – General Fund tax revenue will not exceed 3% of total taxable assessed value of property within the City limits. As of June 30, 2014, tax supported debt was 1.29% of the total taxable value of property.
- Debt Service to Expenditures – Debt service paid from general tax revenue will not exceed 10% of total General Fund Expenditures. As of June 30, 2014, tax supported debt service was 2.64% of General Fund Expenditures.



- Debt Payout Ratio – The City will structure bond issues to maintain an overall 10-year payout ratio of not less than 60%. As of June 30, 2014, the City's overall payout ratio was 68% (66% General Fund and 69% Proprietary Funds).

The initial stage of the budget process is complete. City Council will now modify this Working Draft into the product it wishes presented on April 1<sup>st</sup> and subsequently introduced to the public at the end of April. Public input will be actively encouraged in May and June before a final budget is adopted and associated funds appropriated by June 30<sup>th</sup>.

I am grateful to our budget team for its hard work getting to this point. City staff stands ready to assist Council throughout the remainder of the budget process. We are all ultimately accountable to the citizens in providing needed municipal services and facilities in an effective and efficient manner.

Respectfully,

A handwritten signature in dark ink, appearing to read "Joseph C. King", with a stylized flourish extending to the right.

Joseph C. King  
City Manager

# **Council Letter**

## **City of Danville, Virginia**



**CL-1138**

**Old Business Item #: A.**

### **City Council Regular Meeting**

**Meeting Date:** 06/16/2015

**Subject:** Resolutions and Budget Appropriation Ordinance

**From:** Cynthia Thomasson, Budget Director

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### **COUNCIL ACTION**

Business Meeting Dates: 05/05/2015 - First Reading - Public Hearing  
05/19/2015 -  
06/16/2015 - Final Adoption

### **SUMMARY**

The Public Hearing for the budgets of the City and Capital and Special Projects Plan (CSP) was held on May 5, 2015.

### **BACKGROUND**

Budget Work Sessions were held during march whereby City Council reviewed the FY 2016 Working Draft Budget. A number of changes were made and City Council's Introductory Budget was presented for public review on April 7, 2015.

Additional Budget Work Sessions were held on May 5 and June 2, 2015 resulting in several changes to City Council's Introductory Budget. Attached is a summary of those changes.

The schedule of authorized full-time positions and full-time equivalent part-time positions is included. The State has notified the City's Social Service Division of the authorization for one additional Eligibility Worker based on an analysis of work load. Social Services does not plan to fill the position at this time, but in the event the case load warrants the hiring of an additional Eligibility Worker, the authorized position will be available. The State will fund 84.5% of the position in the event it is filled and Social Services believes they have the flexibility to cover the local share without increasing the FY 2016 Budget. Also the City Sheriff's Office has been notified of the authorization of four (4) additional deputies. All four positions are 100% State funded.

### **RECOMMENDATION**

It is recommended that City Council adopt the attached resolutions approving the City and CSP budgets and the Budget Ordinance to appropriate the budget for FY 2016.

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### **Attachments**

Summary of Changes

CSP Resolution

Resolution

Ordinance

Authorized Positions

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## Changes made to the FY 2016 Introductory Budget

	<u>Revenues</u>	<u>Expenditures</u>
<b><u>General Fund</u></b>		
Total Working Draft	\$ 101,844,780	\$ 101,844,780
Increases (Decreases):		
State Shared Expenses-Constitutional	(37,700)	
Constitutional Offices (Salaries & Benefits)		(42,470)
City Support of Capital Projects (Blight)		(50,000)
Electoral Board (Materials & Supplies)		(18,000)
Adult Detention Facility (Capital Outlay)		(23,100)
Support of Transportation		(30,220)
Fire Department (Salaries & Benefits)		50,000
Danville Humane Society		6,000
Support of Schools (Debt Service)	<u>                    </u>	<u>70,090</u>
City Council Introductory Budget Totals	\$ 101,807,080	\$ 101,807,080
<b>Additional Changes made May 5, 2015</b>		
Transfer In From Fund Balance	(392,460)	
Salary & Wage Adjustments		(542,460)
Special Project-Stadium Studies	<u>                    </u>	<u>150,000</u>
<b>Revised Total Budget</b>	<b>\$ 101,414,620</b>	<b>\$ 101,414,620</b>
<b>Additional Changes made June 2, 2015</b>		
State Shared Expenses-Constitutional	125,240	
City Sheriff-State authorized 4 add'l deputies		125,240
Transfer in from Fund Balance	500,000	
Salary & Wage Adjustments-Public Safety		500,000
<b>Revised Total for Adopted Budget</b>	<b><u>\$102,039,860</u></b>	<b><u>\$ 102,039,860</u></b>

	<u>Revenues</u>	<u>Expenditures</u>
<b><u>Mass Transit Fund</u></b>		
Total Working Draft	\$ 2,762,950	\$ 3,247,950
Less Depreciation (Non-cash item)		<u>(485,000)</u>
	<u>\$ 2,762,950</u>	<u>\$ 2,762,950</u>
Increases (Decreases):		
State Operating Aid	14,810	
State Capital Aid	(51,590)	
Federal Capital Aid	(268,000)	
Transfer in from General Fund	(30,220)	
Vehicle Purchases		<u>(335,000)</u>
Revised Total	<u>\$ 2,457,950</u>	<u>\$ 2,457,950</u>

	<u>Revenues</u>	<u>Expenditures</u>
<b><u>Telecommunications Fund</u></b>		
Total Working Draft	\$ 1,279,290	\$ 1,557,830
Contribution to Fund Balance		41,660
Less Depreciation (Non-cash item)		<u>(320,200)</u>
	<u>\$ 1,279,290</u>	<u>\$ 1,279,290</u>
Increases (Decreases):		
School Sales	39,300	
Federal E-Rate WAN	410,700	
Internet County School Sales	(15,840)	
ERATE Internet Pitt County	(43,200)	
Capital Project-nDanville		<u>390,960</u>
Revised Totals	<u>\$ 1,670,250</u>	<u>\$ 1,670,250</u>

PRESENTED: May 5, 2015

ADOPTED: June 16, 2015

RESOLUTION NO. 2015 – 05.01

A RESOLUTION APPROVING THE BUDGETS OF THE VARIOUS FUNDS OF THE CITY OF DANVILLE FOR THE FISCAL YEAR ENDING JUNE 30, 2016.

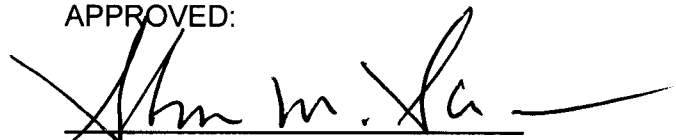
WHEREAS, the Budget of and for the City of Danville for Fiscal Year 2016 has been prepared and introduced by the City Manager and received and considered by the Council, including the Budgets for the following funds:

FUND NAME	PROPOSED EXPENDITURE	CONTRIBUTION/ TRANSFER TO (FROM) GENERAL FUND
General Fund	\$102,039,860	
VDOT Special Revenue Fund	10,328,980	
Wastewater	10,658,430	685,760
Water	9,138,060	937,300
Gas	25,251,290	3,008,330
Power & Light	113,508,150	9,896,610
Telecommunications	1,646,790	302,000
Transportation	2,912,950	(198,600)
Central Services	431,480	-0-
Motorized Equipment	4,074,110	-0-
Insurance Fund	2,996,890	-0-
Sanitation Fund	3,500,250	-0-
Cemetery Fund	990,430	-0-

AND WHEREAS, a brief synopsis of said Budget has been duly published and a public hearing with respect thereto has been conducted by the Council, after due public notice thereof, and upon consideration of which it is now necessary and desirable to approve the same as prescribed by law.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia that the attached Budgets for the City of Danville for the Fiscal Year Ending June 30, 2016 representing the General Fund, VDOT Special Revenue, Water, Wastewater, Gas, Power & Light, Telecommunications, Transportation, Central Services, Motorized Equipment, Insurance, Sanitation, and Cemetery Funds, be, and the same are hereby, approved for informative and fiscal planning purposes pursuant to the City Charter and Sections 15.2-2503 through 15.2-2506 of the Code of Virginia, 1950, as amended.

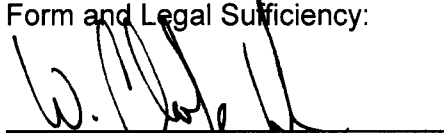
APPROVED:

  
MAYOR

ATTEST:

  
CLERK

Approved as to  
Form and Legal Sufficiency:

  
City Attorney

PRESENTED: May 5, 2015

ADOPTED: June 16, 2015

RESOLUTION NO. 2015 – 05 . 02

A RESOLUTION APPROVING THE FISCAL YEAR 2016 CAPITAL AND SPECIAL PROJECTS PLAN FOR THE CITY OF DANVILLE, VIRGINIA.

WHEREAS, the City Manager of the City of Danville has proposed and the City Council has reviewed a plan prioritizing, scheduling, and funding capital and special projects; and

WHEREAS, this plan has been updated to assist with the City in the planning, acquisition, construction, and improvement of various public facilities that promote the development of the City; and

WHEREAS, the plan provides an expedient process for the City of Danville to acquire, construct, extend, renovate, and improve its utility systems in an orderly and coordinated fashion to promote the public welfare of the City and to comply with Federal and State environmental protection regulations; and

WHEREAS, projects proposed to be funded with proceeds from bonds are contingent upon City Council's approval of the issuance of such bonds; and

WHEREAS, such approval shall be by resolution and appropriation by ordinance; and

WHEREAS, it should be recognized that the plan beyond Fiscal Year 2016 is for planning purposes and does not obligate or commit the City to projects included in the plan beyond Fiscal Year 2016.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia, that the Fiscal Year 2016 Capital and Special Projects Plan referred to above and incorporated herein and made a part hereof by reference be, and the same is hereby approved.

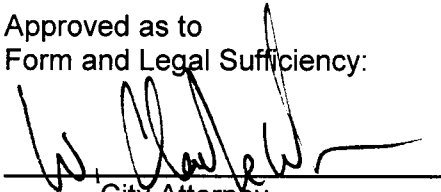


  
MAYOR

ATTEST:

  
CLERK

Approved as to  
Form and Legal Sufficiency:

  
City Attorney

PRESENTED: May 5, 2015

ADOPTED: June 16, 2015

ORDINANCE NO. 2015 - 05 . 01

**BUDGET APPROPRIATION ORDINANCE  
FOR FISCAL YEAR 2016**

WHEREAS, the Budget of and for the City of Danville for Fiscal Year 2016 has been prepared by the City Manager and, after collaboration with the Council, completed and introduced and a brief synopsis thereof was duly published once in the newspaper having general circulation within the City and due notice given of a public hearing which was held on May 5, 2015 at 7:00 P.M., in the Council Chambers, at which any citizen of the City had a right and opportunity to attend and to state his views with regard to such Budget, and such public hearing having been held as advertised, all pursuant to the requirements and provisions of Sections 8-6 and 8-7 of the Charter of the City of Danville, Virginia, 1986, as amended, and of Chapter 25 of Title 15.2 of the Code of Virginia, 1950, as amended; and

WHEREAS, the Council, after having duly considered all views and opinions expressed at such public hearing, approved such budget and does now desire to appropriate funds necessary and available to finance the Budget for the operations of the City for Fiscal Year 2016.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that:

1. The Estimated Revenues and Revenue Contributions and the appropriation of funds to finance the Budgets of and for the City of Danville, Virginia, for the period beginning July 1, 2015 and ending June 30, 2016, be, and the same hereby are, as follows:

# I. GENERAL FUND

Estimated Revenue FY 2016	\$102,039,860
Appropriations	<u>102,039,860</u>
Unappropriated	<u>\$ -0-</u>

## II. VDOT STREET MAINTENANCE FUND

Estimated Revenue FY 2016	\$ 10,328,980
Appropriations	<u>10,328,980</u>
Unappropriated	<u>\$ -0-</u>

## II. UTILITY FUNDS

	Wastewater	Water	Gas	Electric	Telecommunications
Operating Revenues	\$ 9,881,960	8,289,080	26,745,200	115,556,080	1,670,250
Expenditures	<u>10,658,430</u>	<u>9,138,060</u>	<u>25,251,290</u>	<u>113,508,150</u>	<u>1,646,790</u>
Excess of Revenues Over (Under) Expenditures	(776,470)	(848,980)	1,493,910	2,047,930	23,460
Add: Depreciation	<u>2,125,000</u>	<u>1,845,000</u>	<u>1,565,000</u>	<u>8,070,000</u>	<u>320,000</u>
Contribution/Transfer (To)/From General Fund	(685,760)	(937,300)	(3,008,330)	(9,896,610)	(302,000)
<b>Increase (Decrease) In Fund Balance</b>	<b><u>\$ 662,770</u></b>	<b><u>58,720</u></b>	<b><u>50,580</u></b>	<b><u>221,320</u></b>	<b><u>41,660</u></b>

## III. OTHER FUNDS

SUMMARY	Transportation	Central Services	Motorized Equipment	Insurance	Sanitation	Cemetery
Operating Revenues	\$2,229,350	390,160	3,520,590	3,038,890	3,718,700	1,028,270
Expenditures	<u>2,912,950</u>	<u>431,480</u>	<u>4,074,110</u>	<u>2,996,890</u>	<u>3,500,250</u>	<u>990,430</u>
Excess of Revenues Over (Under) Expenditures	(683,600)	(41,320)	(553,520)	42,000	218,450	37,840
Add (Deduct): Depreciation	<u>485,000</u>	<u>4,000</u>	<u>631,000</u>	<u>-0-</u>	<u>20,000</u>	<u>-0-</u>
Contribution/Transfer (To) From General Fund	\$198,600	-0-	-0-	-0-	-0-	-0-
<b>Increase (Decrease) In Fund Balance</b>	<b><u>\$ -0-</u></b>	<b><u>(37,320)</u></b>	<b><u>77,480</u></b>	<b><u>42,000</u></b>	<b><u>238,450</u></b>	<b><u>37,840</u></b>

2. Flexible budgets are hereby authorized whereby appropriations may be increased to the extent that actual revenues exceed the original revenue budget amount.

This provision shall apply to the following:

<u>Appropriation</u>	<u>Revenue</u>
Purchased Power	Electric Revenues
Natural Gas Purchases	Natural Gas Revenues
Cast Iron Main Replacement	Gas Refunds
Electric Capital Reserve	Electric Refunds
Business License Rebates	Business & Occup. Lic
DMV Fees	DMV Fees-P/Taxes
Landscape Projects	Donations - Grant Fund
Law Library	Court Cost- Law Library
Capital Expenditures from Grants-in-Aid	Utility Grants-in-Aid of Construction
P/W Street Maintenance	VDOT Street & Hwy Maint.
Social Services	State Categorical Aid- Dept of Social Svcs.
Mass Transit Fund	State & Federal Categorical Aid – Transportation
Police/Fire/PRT Departments Extra Pay	Recoveries – Extra Pay
Police Department	Forfeited Funds- State & Federal
Police Department Investigation Expense	Interest Earned-Unexpended Federal & State Forfeited Funds
Commonwealth Attorney Prosecution Expense-State Prosecution Expense-State	Forfeited Funds Interest earned on Forfeited Funds
HAZMAT Reimbursable Expenditures	Emergency Services Funds
Older Americans Title IIIB	Program Income
Older Americans Title IIID	Program Income
Econ Development Projects	Proceeds from Sale of

	Buildings or Property
Human Resources	
Wellness Recovery Funds	Wellness Program Expenditures
Grants Funds	State/Federal Funding & Private Donations
Clerk of Circuit Court	VA Supreme Court-
Index/Records	Technology Trust Fund
Community Development Fund	
CDBG-Rehab-Private Property	Program Income
HOME-Rehab-Private Property	Program Income
All Funds	
Repairs/Replacement-	
From Insurance/Accident	Recoveries – Accident
Claims	Claims

3. For the operation of the several city departments, as set forth in the "Intra-governmental Service Fund" Budgets, the Council hereby authorizes transfers from the General Fund for cash deficits resulting from internal charges and credits for the Year Ended June 30, 2015.

4. The accounting for funds designated within the General Fund as unanticipated grants/donations not exceeding \$20,000 and requiring no local funding are authorized for expenditure/assignment within the General Fund or Special Grants Fund. Unanticipated grants/donations in excess of \$20,000 to be submitted as an additional appropriation ordinance for City Council approval and adoption.

5. Transfers of funds from the General Fund to the accounts in the "Special Grants Fund" of the City for the purpose of making temporary advances to the Special Grants Fund pending receipt of reimbursements of such grant funds and for the purpose of adjusting any cash deficits in such Special Grants Funds for the Fiscal Year Ending June 30, 2015, be, and the same are hereby, authorized.

6. Any deficit resulting from the operations of the Cemetery Enterprise Fund shall be financed by a transfer from the General Fund.

7. Authorization to transfer up to ½ the increase in Unassigned Fund Balance to the Budget Stabilization Fund at June 30, 2015 up to the maximum balance as prescribed by City Council's Financial Policy.

8. Authorization to transfer unexpended funds for the Line of Duty Act (LODA), General Liability Insurance, and Worker's Compensation to the Insurance Fund to be held in reserve for future expenses unless such transfer reduces unassigned Fund Balance/Retained Earnings in respective funds.

9. The Fiscal Year 2016 Personnel Budget setting forth the Personal Services Detail showing approved as to the total number of authorized full-time and full-time equivalent part-time positions is attached. The City Manager be, and he is hereby, authorized to allocate positions within similar occupational groupings as he may deem necessary and appropriate for the operation of the City, provided that the total number of positions and the total expenditures therefore do not exceed the authorized numbers and amounts set forth in the Budget.

10. The Director of Finance be, and he is hereby, authorized and directed to record the budget appropriations made hereby and the expenditures thereof in such manner and in such detail as may be appropriate for management and financial reporting purposes.

11. A sum of sufficient amount be, and the same is hereby, appropriated for the purchase of inventories of materials and supplies, and/or equipment and vehicle parts to maintain adequate operating inventories for City departments, provided cash funds are available for payment of said purchases.

12. The funds appropriated in Fiscal Year 2015 and in prior years for the City or School System which were encumbered by purchase order or contract as of June 30, 2015, be, and the same are hereby, reappropriated for the purpose of liquidating said outstanding encumbrances.

13. Appropriations for the following are deemed to be on a continuing basis and will continue in effect until the purposes have been achieved or said funds expended whichever comes first:

Police Department - Investigation Expense

Commonwealth Attorney-Prosecution Expense-State Funds

Support of School Operations - Local share (limited to \$1,000,000)

Appropriations for Grants Funds - Federal, State, Local Share

Law Library

Unexpended Tuition Reimbursement Funds – To the extent funding has been committed and approved prior to June 30

Capital Improvement Projects (unless transferred or cancelled by the City Manager and/or City Council)

Sheriff's Office – Jail R&B Fee

Parks, Recreation & Tourism – Scholarship Funds & Revolving Accounts

Recoveries/Appropriations - Accident/Insurance Claims

14. Appropriations designated as transfers to Capital Improvements, other than projects funded by grant or the issuance of bonds, are hereby authorized as appropriations in the receiving fund in accordance with the Capital Improvements Plan approved by City Council.

15. An expenditures in excess of amount budgeted for Group Health Insurance shall be financed by a transfer from the Insurance Fund.

16. Authorization for appropriation of Law Library Revenues reserved from prior fiscal years in Advance Collections.

17. Authorization to increase extra pay for the Fire Department's Hazardous Materials Response Team and the Technical Rescue Team from \$50 per month to \$100 per month effective July 1, 2015.

18. Authorization to carry forward unexpended appropriation for Regional Industrial Facilities Authority Debt Service including interest earned and to designate as reserved funding to be used for the purpose for which it was appropriated.

19. Authorization to carry forward unencumbered appropriation for Support of Public Schools not to exceed \$1,000,000.

20. Authorization for appropriation in the Capital Projects Fund of Support of and Debt Service requirements for the Regional Industrial Facilities Authority as provided in the General Fund Budget.

21. Subject to the provisions herein, departments are authorized to transfer budget between line items within the department within the same fund with the following limitations:

- No transfers allowed to or from salary/benefit line items to operating line items unless approved by City Manager, Deputy City Manager, or Budget Director.
- No transfers allowed from fixed line items (General Liability Insurance, Worker's Compensation, Depreciation, Debt Service Principal/Interest, Motorpool Rental) to operating or salary/benefit line items unless approved by City Manager, Deputy City Manager, or Budget Director.
- All transfers must be approved by Department Director or designee.

22. The City Manager or designee is authorized to transfer budget from contingency within same fund.



23. City Manager, Deputy City Manager, or Budget Director authorized to transfer funds between departments within same fund at year-end to cover over-expenditures and during the fiscal year for special one-time purposes.

24. Budget Adjustments are hereby authorized for Bond Refundings as approved by City Council.

25. Transfers of funds from the General Fund to the Economic Development Fund are available for transfer to the Industrial Development Authority for payments of economic development projects.

26. Funds received for the Telvista Loan Repayment shall be transferred at year-end to the General Fund Unassigned Balance unless otherwise appropriated by City Council.

27. This Ordinance shall become and be effective on and as of July 1, 2015.

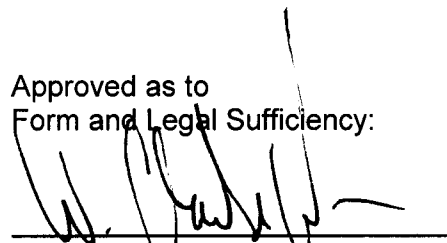
APPROVED:

  
MAYOR

ATTEST:

  
CLERK

Approved as to  
Form and Legal Sufficiency:

  
City Attorney

# Council Letter

## City of Danville, Virginia



**CL-1133**

**Old Business Item #: B.**

### **City Council Regular Meeting**

**Meeting Date:** 05/05/2015

**Subject:** Resolution Approving the FY 2016 Preliminary Budget for Danville Public Schools

**From:** Joseph C. King, City Manager

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### **COUNCIL ACTION**

Business Meeting Dates: 04/21/2015 - First Reading - Public Hearing  
05/05/2015 - Final Adoption

### **SUMMARY**

The Public Hearing for the Fiscal Year 2016 Preliminary School Board Budget was conducted on April 21, 2015. The City's Budget for Support of Schools includes \$17,399,860 for Support of Operations and \$1,322,370 for Debt Service, for a grand total of \$18,722,230. In addition, Capital Improvements in the amount of \$2,620,000 are requested by the School Board. An updated version of the FY 2016 project list reflecting a shift from metal to shingle roof replacements will be distributed to City Council as soon as it is available. Funding for capital projects has not been determined; however, in anticipation of including these projects in the proposed FY 2016 Bond Issue, debt service has been increased to cover the first year interest. Bond proceeds are appropriated by a separate action of City Council and therefore included neither in the Budget Resolutions nor in the Budget Appropriation Ordinance.

### **BACKGROUND**

The FY 2013 School Board request included \$2,100,000 additional funding as a one-time appropriation in the form of a "loan" to be repaid to the City in four annual payments of \$525,000. The attached resolution reflects City support equal to the FY 2012 funding level less \$525,000

### **RECOMMENDATION**

It is recommended the City Council approve the attached resolution for the FY 2016 Danville Public School Budget.

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### **Attachments**

Resolution

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PRESENTED: April 21, 2015

ADOPTED: May 5, 2015

RESOLUTION NO. 2015- 04 . 01

A RESOLUTION APPROVING THE BUDGET OF THE SCHOOL BOARD OF THE CITY OF DANVILLE FOR THE FISCAL YEAR ENDING JUNE 30, 2016.

WHEREAS, the School Board of the City of Danville presented to the Council its estimate of the amount of money needed for the support of the public schools of the City during Fiscal Year 2016, which estimate reflected total proposed expenditures in the amount of \$59,149,090; and

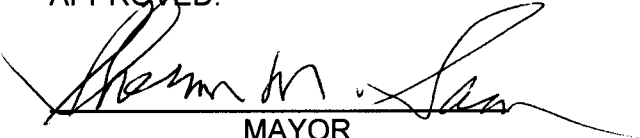
WHEREAS, the City shall contribute \$17,399,860 for School Operations and \$1,322,370 for School Debt Service for a total appropriation of \$18,722,230; and

WHEREAS, the City Council does not intend by this resolution to guarantee to the School Board of the City of Danville any contribution for support of schools in future fiscal years above that amount required by Virginia law for support of schools; and

WHEREAS, a brief synopsis of the proposed Budget of the School Board for Fiscal Year 2016 was duly published, and, after public notice duly given, a public hearing with respect thereto has been conducted by the Council, after due public notice thereof, and upon consideration of which it is now necessary and desirable to approve the same as prescribed by law.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia that, pursuant to Section 22.1-93 of the Code of Virginia, 1950, as amended, the attached budget of the School Board of the City of Danville for the Fiscal Year ending June 30, 2016 be, and the same is hereby, approved for educational purposes subject the above recited conditions.

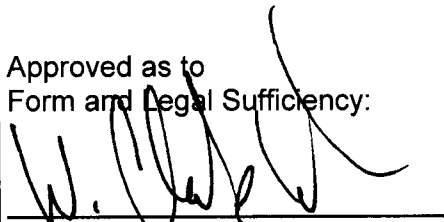
APPROVED:

  
MAYOR

ATTEST:

  
CLERK

Approved as to  
Form and Legal Sufficiency:

  
City Attorney

**DANVILLE PUBLIC SCHOOLS  
BUDGET HIGHLIGHTS  
2015-2016**

**MANDATES**

• Increase to Health Insurance Premiums - 3%	\$ 108,686
• Loss of 2011-2012 Carryover Revenue used in 2014-2015 Budget	\$ 650,000
<b>Total Mandates</b>	<b>\$ 758,686</b>

**NEW INITIATIVES**

**INSTRUCTION**

Initiated in 2014-2015

• Woodberry Elementary Assistant Principal	\$ 67,179
• Langston Focus Assistant Principal	\$ 80,610

New for 2015-2016

• Additional ESL Teacher - bringing Division-wide staffing to 4 (3.48 included in SOQ funding )	\$ 57,065
• Athletic Coordinator for Middle and High School	\$ 66,042
• Middle School Baseball and Softball - Coaches, travel, officials and start-up expenses	\$ 11,378
• 5 Teaching Positions at GWHS (Math, Science, Family Consumer Science, Art, Odyssey Lab)	\$ 286,821
• Math Teaching Position - Galileo High School	\$ 57,061
• Increase Receptionist Position at middle schools to full time (currently part-time at each)	\$ 28,966
• LPN Position for Johnson Elementary/Northside Preschool	\$ 28,231

**Total New Initiatives - Instruction**

\$ 683,353

**HUMAN RESOURCES**

• 1.5% Salary Increase to Licensed and Classified Personnel	\$ 615,257
• Increases to Teacher Salary Schedule Steps 0-3 to Promote Recruitment and Retention Efforts	\$ 76,518

**Total New Initiatives - Human Resources**

\$ 691,775

**ADMINISTRATIVE SERVICES**

• Safety and Security Projects	
• Identia-Kid used Division Wide	\$ 9,500
• Sentinal Safe	\$ 6,300
• Text a Tip	\$ 9,500
• Crisis Management Software	\$ 6,500

**Total New Initiatives - Administrative Services**

\$ 31,800

**Total New Initiatives**

\$ 1,406,928

**SAVINGS / COST AVOIDANCE**

• Reduction to VRS rates	\$ 132,868
• Increases to State Funding (primarily from Salary Incentive payment), and locally generated accounts	\$ 333,467
• 10% reductions to non-salary related line items and technical adjustments	\$ 802,014
• Reduce 2 middle school teaching positions (Grade 6 and Orchestra)	\$ 113,490
• Eliminate additional class supplements - George Washington and Galileo paid in 2014-2015	\$ 69,910
• Increase Specific Stop Loss coverage in health insurance from \$100,000 to \$110,000	\$ 108,686
• Use of 2012-2013 Carryover for 2015-2016 Budget	\$ 605,179

**Total Savings / Cost Avoidance**

\$ 2,165,614



# **2015-16** **Danville Public Schools Approved Budgeted Revenues** **General Operating Fund**

ADM = 5961.00

ACCOUNTS	APPROVED	APPROVED	INCREASE	% CHANGE
	2014-15 REVENUES	2015-16 REVENUES		
<u>STATE SOQ FUNDS</u>				
Basic Aid	17,998,685	18,185,999	187,314	1.04%
Textbooks	417,074	421,629	4,555	1.09%
Sales Tax	6,336,852	6,400,774	63,922	1.01%
Vocational Education - SOQ	394,448	398,756	4,308	1.09%
Gifted Education - SOQ	203,726	205,951	2,225	1.09%
Special Education - SOQ	2,635,431	2,664,214	28,783	1.09%
Remedial Education	1,265,700	1,279,524	13,824	1.09%
Retirement Reimbursement	2,570,412	2,506,465	(63,947)	-2.49%
Social Security Reimbursement	1,252,697	1,266,378	13,681	1.09%
Group Life	86,692	78,875	(7,817)	-9.02%
English as a Second Language	149,004	159,274	10,270	6.89%
Remedial Summer School	588,323	249,247	(339,076)	-57.63%
<hr/>				
SUBTOTAL - STATE SOQ	33,899,044	33,817,086	(81,958)	-0.24%
<hr/>				
<u>STATE CATEGORICAL</u>				
Vocational Education	39,742	39,616	(126)	-0.32%
Homebound	133,502	155,707	22,205	16.63%
Foster Care	33,487	6,745	(26,742)	-79.86%
<hr/>				
SUBTOTAL STATE CATEGORICAL	206,731	202,068	(4,663)	-2.26%

4/17/2015



# **2015-16** **Danville Public Schools Approved Budgeted Revenues** **General Operating Fund**

ADM = 5961.00

ACCOUNTS	APPROVED	APPROVED	INCREASE	%
	2014-15	2015-16	(DECREASE)	
REVENUES	REVENUES	REVENUES	REVENUES	CHANGE
<b>STATE INCENTIVE-BASED PROGRAMS</b>				
At Risk	1,736,278	1,754,260	17,982	1.04%
K-3 Primary Class Size Reduction	2,291,805	2,363,352	71,547	3.12%
Virginia Preschool Initiative	1,115,882	1,076,186	(39,696)	-3.56%
Early Reading Intervention	186,463	174,809	(11,654)	-6.25%
Early Reading Specialists Initiative	44,799	22,569	(22,230)	-49.62%
ISAEF - Teen GED	23,576	23,576	0	0.00%
SOL Algebra Readiness	148,139	143,360	(4,779)	-3.23%
Compensation Supplement	-	338,004	338,004	#DIV/0!
Supplemental Support for Schools	-	5,647	5,647	#DIV/0!
State Carryover Funds	650,000	605,179	(44,821)	-6.90%
Technology	336,000	336,000	0	0.00%

## **SUBTOTAL - STATE INCENTIVE-BASED**

6,532,942	6,842,942	310,000	4.75%
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## **TOTAL - STATE FUNDS**

40,638,717	40,862,096	223,379	0.55%
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4/17/2015



# **2015-16** **Danville Public Schools Approved Budgeted Revenues** **General Operating Fund**

ADM = 5961.00

ACCOUNTS	APPROVED 2014-15 REVENUES	APPROVED 2015-16 REVENUES	INCREASE (DECREASE)	% CHANGE
<u>OTHER FUNDS</u>				
Tuition (Summer School)	15,000	16,000	1,000	6.67%
Tuition (Non-Resident Students)	65,000	68,000	3,000	4.62%
Tuition (Adult Education)	2,500	2,500	0	0.00%
Rentals (School Buses)	150,000	75,000	(75,000)	-50.00%
Rentals (Café, Auditoriums, etc.)	20,000	25,000	5,000	25.00%
Refunds, Rebates, & Misc.	6,000	10,000	4,000	66.67%
Misc. Income Band & Music	1,800	1,800	0	0.00%
NJROTC	83,000	85,000	2,000	2.41%
Building Lease Income	60,000	60,000	0	0.00%
Payment from Another Division (Alternative Pgm)	68,567	68,834	267	0.39%
Medicaid Reimbursements	200,000	225,000	25,000	12.50%
Indirect Cost Allocation	150,000	250,000	100,000	66.67%
<hr/>				
<b>TOTAL - OTHER FUNDS</b>	821,867	887,134	65,267	7.94%
<hr/>				
<u>CITY FUNDS</u>				
General Appropriation	17,399,857	17,399,860	3	0.00%
<hr/>				
<b>TOTAL - CITY FUNDS</b>	17,399,857	17,399,860	3	0.00%
<hr/>				
<b>TOTAL RECEIPTS</b>	58,860,441	59,149,090	288,649	0.49%

4/17/2015



# **2015-16** **Danville Public Schools Approved Budgeted Expenditures** **General Operating Fund Budget**

<u>I. INSTRUCTION</u>	<u>ACTUAL</u>		<u>APPROVED</u>		<u>INCREASE (DECREASE)</u>	<u>% CHANGE</u>
	<u>EXPENDITURES</u> <u>2013-14</u>	<u>BUDGET</u> <u>2014-15</u>	<u>BUDGET</u> <u>2015-16</u>			
A. Classroom Instruction						
1. Elementary Regular	15,311,804	15,982,196	16,001,517	19,321	0.12%	
2. Elementary Special Ed	2,712,005	2,902,747	2,917,837	15,090	0.52%	
3. Elementary Vocational	206,623	219,478	220,815	1,337	0.61%	
4. Elementary Gifted & Talented	370,566	401,585	390,427	-11,158	-2.78%	
5. Elementary Extra-Curricular	47,668	50,061	56,272	6,211	12.41%	
6. Secondary Regular	8,465,601	8,570,918	8,924,959	354,041	4.13%	
7. Secondary Special Ed	1,377,509	1,423,153	1,393,786	-29,367	-2.06%	
8. Secondary Vocational	1,499,747	1,568,036	1,594,506	26,471	1.69%	
9. Secondary Gifted & Talented	281,177	326,313	332,974	6,661	2.04%	
10. Secondary Co-Curricular	394,485	358,023	429,232	71,209	19.89%	
11. Extended Sessions	144,272	211,000	156,602	-54,398	-25.78%	
12. Adult	115,021	110,455	109,473	-981	-0.89%	
13. Preschool Handicapped	369,004	377,449	357,642	-19,807	-5.25%	
14. Non-LEA Programs	81,729	41,545	41,145	-400	-0.96%	
15. Alternative Education	1,297,196	1,314,325	1,205,175	-109,150	-8.30%	
16. Virginia Preschool Initiative	1,317,108	1,874,822	1,752,760	-122,062	-6.51%	
B. Guidance	1,210,358	1,245,094	1,180,035	-65,059	-5.23%	
C. Social Workers	82,348	92,343	93,020	678	0.73%	
D. Homebound	359,011	405,155	342,256	-62,899	-15.52%	
E. Instructional Support	1,333,306	1,307,676	1,374,362	66,686	5.10%	
F. Media	957,616	886,656	870,360	-16,296	-1.84%	
G. School Administration	3,313,051	3,130,880	3,543,163	412,284	13.17%	
<b><u>TOTAL INSTRUCTION</u></b>	<b><u>41,247,205</u></b>	<b><u>42,799,910</u></b>	<b><u>43,288,321</u></b>	<b><u>488,411</u></b>	<b><u>1.14%</u></b>	



# **2015-16** **Danville Public Schools Approved Budgeted Expenditures** **General Operating Fund Budget**

	ACTUAL EXPENDITURES <u>2013-14</u>	BUDGET <u>2014-15</u>	APPROVED BUDGET <u>2015-16</u>	INCREASE (DECREASE)	% CHANGE
<b>II. ADMINISTRATION AND ATTENDANCE AND HEALTH</b>					
A. Administration					
1. Board Services	48,406	93,700	101,750	8,050	8.59%
2. Executive Administration	537,452	338,685	343,837	5,152	1.52%
3. Insurances	197,731	178,847	156,097	-22,750	-12.72%
4. Administrative Services	236,106	237,760	263,538	25,778	10.84%
5. Information Services	12,435	106,631	10,000	-96,631	-90.62%
6. Human Resources	716,905	776,834	765,533	-11,300	-1.45%
7. Fiscal Services	468,896	467,263	480,438	13,175	2.82%
8. Reprographics Services	77,064	85,457	75,457	-10,000	-11.70%
B. Attendance & Health					
1. Attendance	136,371	110,802	106,372	-4,430	-4.00%
2. Health	1,090,216	1,136,799	1,162,658	25,859	2.27%
3. Psychological	448,303	417,297	551,519	134,222	32.16%
<b>TOTAL ADM &amp; ATT &amp; HEALTH</b>	<b><u>3,969,887</u></b>	<b><u>3,950,075</u></b>	<b><u>4,017,200</u></b>	<b><u>67,125</u></b>	<b><u>1.70%</u></b>
<b>III. PUPIL TRANSPORTATION</b>					
A. Management	328,059	363,483	367,394	3,910	1.08%
B. Vehicle Operation	1,196,443	1,245,468	1,258,801	13,334	1.07%
C. Monitoring Services	18,231	18,918	13,414	-5,505	-29.10%
D. Vehicle Maintenance	535,131	563,216	508,303	-54,914	-9.75%
<b>TOTAL PUPIL TRANSPORTATION</b>	<b><u>2,077,864</u></b>	<b><u>2,191,086</u></b>	<b><u>2,147,912</u></b>	<b><u>-43,175</u></b>	<b><u>-1.97%</u></b>



# **2015-16** **Danville Public Schools Approved Budgeted Expenditures** **General Operating Fund Budget**

	ACTUAL EXPENDITURES 2013-14	BUDGET 2014-15	APPROVED BUDGET 2015-16	INCREASE (DECREASE)	% CHANGE
<b><u>IV. OPERATION AND MAINTENANCE SERVICES</u></b>					
A. Management	165,432	297,994	300,550	2,556	0.86%
B. Building Services	5,855,743	5,640,180	5,424,632	-215,548	-3.82%
C. Grounds Services	356,400	259,933	296,057	36,124	13.90%
D. Equipment Services	248,030	360,400	354,360	-6,040	-1.68%
E. Vehicle Services	98,484	137,000	123,300	-13,700	-10.00%
F. Security Services	297,078	383,011	384,001	991	0.26%
<b><u>TOTAL OPERATION AND MAINTENANCE</u></b>	<b><u>7,021,167</u></b>	<b><u>7,078,518</u></b>	<b><u>6,882,901</u></b>	<b><u>-195,617</u></b>	<b><u>-2.76%</u></b>
<b><u>V. NON-INSTRUCTIONAL OPERATIONS</u></b>					
A. Community Education					
<b><u>VI. FACILITIES</u></b>					
A. Site Improvements	0	0	0	0	#DIV/0!
B. Architecture and Engineering Services	0	0	0	0	#DIV/0!
C. Building Acquisition/Construction Services	0	0	0	0	#DIV/0!
D. Building Improvement Services	0	0	0	0	#DIV/0!
<b><u>TOTAL FACILITIES</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>#DIV/0!</u></b>
<b><u>VII. OTHER USES OF FUNDS</u></b>					
A. Fund Transfers	143,427	150,296	151,938	1,642	1.09%
<b><u>TOTAL OTHER USES OF FUNDS</u></b>	<b><u>143,427</u></b>	<b><u>150,296</u></b>	<b><u>151,938</u></b>	<b><u>1,642</u></b>	<b><u>1.09%</u></b>



**2015-16**  
**Danville Public Schools Approved Budgeted Expenditures**  
**General Operating Fund Budget**

	ACTUAL EXPENDITURES <u>2013-14</u>	BUDGET <u>2014-15</u>	APPROVED BUDGET <u>2015-16</u>	INCREASE (DECREASE)	% CHANGE
<u>VIII. TECHNOLOGY</u>					
A. Technology-Classroom Instruction	625,729	628,236	628,561	325	0.05%
B. Technology - Instructional Support	549,189	616,111	649,412	33,302	5.41%
C. Technology - Administration	843,038	746,209	752,846	6,637	0.89%
<u>TOTAL TECHNOLOGY</u>	<u>2,017,955</u>	<u>1,990,556</u>	<u>2,030,819</u>	<u>40,263</u>	<u>2.02%</u>
<u>IX. CONTINGENCY</u>	<u>0</u>	<u>700,000</u>	<u>630,000</u>	<u>-70,000</u>	<u>-10.00%</u>
<u>TOTALS</u>	<u>56,477,506</u>	<u>58,860,441</u>	<u>59,149,090</u>	<u>288,649</u>	<u>0.49%</u>

4/17/2015